



Reprinted
February 6, 2009

HOUSE BILL No. 1723

DIGEST OF HB 1723 (Updated February 5, 2009 1:22 pm - DI 51)

Citations Affected: IC 6-1.1; IC 20-19; IC 20-20; IC 20-24; IC 20-40; IC 20-43; IC 20-45; IC 20-46.

Synopsis: Elementary and secondary education budget. Appropriates money for elementary and secondary education. Establishes a formula for the distribution of state tuition support to school corporations and charter schools in 2010. Eliminates the requirement that a school budget be on the basis of a fiscal year rather than a calendar year. Requires charter schools to conduct classes for a specified number of hours on at least 180 days per year. Provides grants for a school business official's academy. Continues the authority of a school corporation to use money in a capital projects account to pay for utility and insurance costs. Changes the formula used to distribute circuit breaker levy replacement grants to school corporations. Repeals definitions and formulas not used in the state tuition support formula and a noncode provision making a separate appropriation for circuit breaker levy replacement grants.

Effective: July 1, 2009; January 1, 2010.

Goodin

January 22, 2009, read first time and referred to Committee on Rules and Legislative Procedures.

January 29, 2009, reassigned to the Committee on Ways and Means.

February 3, 2009, amended reported — Do Pass.

February 5, 2009, read second time, amended, ordered engrossed.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1723

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 **SECTION 1. [EFFECTIVE JULY 1, 2009]**

2

3 (a) The following definitions apply throughout this act:

4 (1) "Augmentation allowed" means the governor and the budget agency are
5 authorized to add to an appropriation in this act from revenues accruing to the
6 fund from which the appropriation was made.

7 (2) "Other operating expense" includes payments for "services other than personal",
8 "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds,
9 and awards", "in-state travel", "out-of-state travel", and "equipment".

10 (3) "Personal services" includes payments for salaries and wages to officers and
11 employees of the state (either regular or temporary), payments for compensation
12 awards, and the employer's share of Social Security, health insurance, life insurance,
12 dental insurance, vision insurance, deferred compensation - state match, leave
14 conversion, disability, and retirement fund contributions.

14 (4) "Total operating expense" includes payments for both "personal services" and
16 "other operating expense".

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SECTION 2. [EFFECTIVE JULY 1, 2009]

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the sums in this SECTION are appropriated for education for the period designated from the state general fund of the state of Indiana or other specifically designated funds.

In this SECTION, whenever there is no specific fund or account designated, the appropriation is from the state general fund.

EDUCATION

A. ELEMENTARY AND SECONDARY EDUCATION

**FOR THE DEPARTMENT OF EDUCATION
STATE BOARD OF EDUCATION**

Total Operating Expense	50,000
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The foregoing appropriation for the Indiana state board of education is for state board administrative expenses.

SUPERINTENDENT'S OFFICE

Personal Services	1,201,402
Other Operating Expense	1,473,322

RESEARCH AND DEVELOPMENT PROGRAMS

Personal Services	86,959
Other Operating Expense	300,390

Of the foregoing appropriations for Research and Development Programs, up to \$140,000 is dedicated for the Center for Evaluation and Education Policy.

RILEY HOSPITAL

Total Operating Expense	27,900
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BEST BUDDIES

Total Operating Expense	250,000
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ADMINISTRATION AND FINANCIAL MANAGEMENT

Personal Services	2,144,538
Other Operating Expense	420,270

MOTORCYCLE OPERATOR SAFETY EDUCATION FUND

Safety Education Fund (IC 20-30-13-11)

Personal Services	132,397
Other Operating Expense	892,177

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-30-13-11.

SCHOOL TRAFFIC SAFETY

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1	Motor Vehicle Highway Account (IC 8-14-1)	
2	Personal Services	242,989
3	Other Operating Expense	30,405
4	Augmentation allowed.	
5	EDUCATION LICENSE PLATE FEES	
6	Education License Plate Fees Fund (IC 9-18-31)	
7	Total Operating Expense	141,200
8	CENTER FOR SCHOOL ASSESSMENT	
9	Personal Services	311,004
10	Other Operating Expense	706,025
11	ACCREDITATION SYSTEM	
12	Personal Services	471,732
13	Other Operating Expense	489,547
14	SPECIAL EDUCATION (S-5)	
15	Total Operating Expense	24,750,000
16		
17	The foregoing appropriations for special education are made under IC 20-35-6-2.	
18		
19	CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS	
20	Personal Services	234,580
21	Other Operating Expense	78,988
22	SPECIAL EDUCATION EXCISE	
23	Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)	
24	Personal Services	344,351
25	Augmentation allowed.	
26	CAREER AND TECHNICAL EDUCATION	
27	Personal Services	1,319,338
28	Other Operating Expense	40,532
29	ADVANCED PLACEMENT PROGRAM	
30	Other Operating Expense	953,284
31		
32	The above appropriations for the Advanced Placement Program are to provide funding	
33	for students of accredited public and nonpublic schools.	
34		
35	PSAT PROGRAM	
36	Other Operating Expense	717,449
37		
38	The above appropriations for the PSAT program are to provide funding for students	
39	of accredited public and nonpublic schools.	
40		
41	CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE	
42	Personal Services	1,701,447
43	Other Operating Expense	978,089
44	PRINCIPAL LEADERSHIP ACADEMY	
45	Personal Services	320,632
46	Other Operating Expense	142,204
47	EDUCATION SERVICE CENTERS	
48	Total Operating Expense	2,321,287
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No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars (\$3) per student for fiscal year 2009-2010 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2008. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)

Total Operating Expense	50,000
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The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-26-11-8 and IC 20-26-11-10.

TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION

Total Operating Expense	2,403,792
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The foregoing appropriation shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area career and technical education schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

DISTRIBUTION FOR TUITION SUPPORT

General Fund

Total Operating Expense	6,420,700,000
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State Tuition Reserve Fund (IC 4-12-1-15.7)

Total Operating Expense	100,000,000
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The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2009 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, any excess shall revert to the general fund.

The above appropriations for distribution for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and that the aggregate of the

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payments in each calendar year must equal the amount required under the statute enacted for the purpose referred to above.

Virtual charter school" means any entity that provides for the delivery of more than fifty percent (50%) of instruction to students through virtual distance learning, online technologies, or computer based instruction. A virtual charter school is not entitled to any funding from the state of Indiana during the biennium and is not entitled to a distribution of property taxes. This paragraph expires June 30, 2010.

NEW FACILITY ADJUSTMENT DISTRIBUTIONS (IC 20-43-11.5)

Other Operating Expense 10,000,000

DISTRIBUTION FOR SUMMER SCHOOL

Other Operating Expense 18,360,000

It is the intent of the 2009 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT

Total Operating Expense 4,720,000

The above appropriation for the early intervention program may be used for grants to local school corporations for grant proposals for early intervention programs, including reading recovery and the Waterford method.

The foregoing appropriation may be used by the department for the reading diagnostic assessment and subsequent remedial programs or activities. The reading diagnostic assessment program, as approved by the board, is to be made available on a voluntary basis to all Indiana public and nonpublic school first and second grade students upon the approval of the governing body of school corporations. The board shall determine how the funds will be distributed for the assessment and related remediation. The department or its representative shall provide progress reports on the assessment as requested by the board and the education roundtable.

ADULT EDUCATION DISTRIBUTION

Total Operating Expense 14,000,000

It is the intent of the 2009 general assembly that the above appropriations for adult education are the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

NATIONAL SCHOOL LUNCH PROGRAM

Total Operating Expense 5,400,000

MARION COUNTY DESEGREGATION COURT ORDER

Total Operating Expense 18,200,000



The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT

Total Operating Expense	45,000,000
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Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic school shall provide to the department the requirements established in IC 20-33-5-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

FULL-DAY KINDERGARTEN

Total Operating Expense	86,500,000
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The above appropriations for full day kindergarten are available to school corporation and charter schools that apply to the department of education for funding of full day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total number of eligible pupils (as defined in IC 20-43-1-11) enrolled in full day kindergarten in all participating school corporations and charter schools in the current year, and then multiplied by the total number of eligible pupils (as defined in IC 20-43-1-11) enrolled in full day kindergarten in the school corporation or charter school in the current year, as determined on the initial count. However, a school corporation or charter school may not receive more than \$1,132 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

To provide full day kindergarten programs, a school corporation or charter school that determines there is inadequate space to offer a program in the school corporation's or charter school's existing facilities may offer the program in any suitable space located within the geographic boundaries of the school corporation or, in the case of a charter school, a location that is in the general vicinity of the charter school's existing facilities. A full day kindergarten program offered by a school corporation or charter school must meet the academic standards and other requirements of IC 20.



A school corporation or charter school that receives a grant must meet the academic standards and other requirements of IC 20.

In awarding grants from the above appropriations, the department of education may not refuse to make a grant to a school corporation or reduce the award that would otherwise be made to the school corporation because the school corporation used federal grants or loans, including Title I grants, to fund part or all of the school corporation's full day kindergarten program in a school year before the school year in which the grant will be given or because the school corporation intends to use federal grants or loans, including Title I grants, to fund part of the school corporation's full day kindergarten program in a school year in which the grant will be given.

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

(1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:

(A) scientifically proven methods of teaching reading;

(B) the use of data to guide instruction; and

(C) the use of age appropriate literacy and mathematics assessments.

(2) Making uniform, predictively valid, observational assessments that:

(A) provide frequent information concerning the student's progress to the student's teacher; and

(B) measure the student's progress in literacy;

available to teachers in kindergarten through grade 3. Teachers shall monitor students participating in a program, and the school corporation or charter school shall report the results of the assessments to the parents of a child completing an assessment and to the department.

(3) Undertaking a longitudinal study of students in programs in Indiana to determine the achievement levels of the students in kindergarten and later grades.

REMEDIATION

Other Operating Expense	41,000,000
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Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency.

The above appropriation for remediation shall be used by school corporations to provide remediation programs for students who attend public and nonpublic schools. For purposes of tuition support, these students are not to be counted in the average daily membership.

GRADUATION EXAM REMEDIATION

Other Operating Expense	4,958,910
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Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and



approval of the formula and components shall be made by the budget agency.

SPECIAL EDUCATION PRESCHOOL

Total Operating Expense	38,400,000
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The above appropriation for Special Education Preschool shall be distributed to guarantee a minimum of \$2,750 per child enrolled in special education preschool programs from state sources for this purpose. It is the intent of the 2009 general assembly that the above appropriation for Special Education Preschool is the total allowable expenditure for the program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

HEARING AID FUND (IC 20-20-37)

Other Operating Expense	6,000,000
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Before August 1, 2009, the budget agency shall transfer six million dollars (\$6,000,000) from the state general fund to the hearing aid fund (IC 20-20-37) for the purposes of the hearing aid fund.

NON-ENGLISH SPEAKING PROGRAM

Other Operating Expense	8,000,000
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The above appropriation for the Non-English Speaking Program is for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is two hundred dollars (\$200) per pupil. It is the intent of the 2009 general assembly that the above appropriation for the Non-English Speaking Program is the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

GIFTED AND TALENTED EDUCATION PROGRAM

Personal Services	211,348
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Other Operating Expense	12,788,801
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DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION

Total Operating Expense	250,000
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The distribution for adult career and technical education programs shall be made in accordance with the state plan for vocational education.

PRIMETIME

Personal Services	172,566
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Other Operating Expense	34,467
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DRUG FREE SCHOOLS

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1	Personal Services	52,361
2	Other Operating Expense	20,093
3	PROFESSIONAL DEVELOPMENT DISTRIBUTION	
4	Other Operating Expense	13,812,500

5
6 The foregoing appropriation for professional development distributions includes schools
7 defined under IC 20-31-2-8.

8		
9	ALTERNATIVE SCHOOLS	
10	Total Operating Expense	6,380,319

11		
12	EDUCATIONAL TECHNOLOGY PROGRAM AND FUND	
13	(INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)	
14	Total Operating Expense	2,109,036

15
16 Of the foregoing appropriations for Educational Technology Program and Fund, \$825,000
17 shall be allocated to the buddy system in the state fiscal year. The remaining amounts
18 shall be allocated for technology programs and resources for kindergarten through
19 twelfth grade, and the operation of the office of the special assistant to the superintendent
20 of public instruction for technology.

21		
22	TECHNOLOGY PLAN GRANT PROGRAM (IC 20-20-13)	
23	Total Operating Expense	2,500,000

24
25 Notwithstanding IC 20-20-13-17, the department of education may adjust the grant
26 amount to reflect available funding.

27		
28	PROFESSIONAL STANDARDS DIVISION	
29	General Fund	
30	Personal Services	1,054,199
31	Other Operating Expense	1,762,303
32	Professional Standards Board Licensing Fund	
33	Total Operating Expense	1,500,000
34	Augmentation allowed.	

35
36 The above appropriations for the Professional Standards Division do not include funds
37 to pay stipends for mentor teachers.

38		
39	SCHOOL BUSINESS OFFICIALS ACADEMY	
40	Total Operating Expense	150,000

41
42 The department shall make the foregoing appropriation for School Business Officials
43 Academy available to the Indiana Association of School Business Officials to assist
44 in the creation of an academy designed to strengthen the management and leadership
45 skills of practicing Indiana school business officials.

46		
47	LEVY REPLACEMENT GRANT (IC 20-20-36.2)	
48	Other Operating Expense	81,000,000



1 **B. INTERNET BACKBONE**

2
3 **FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)**
4 **Total Operating Expense** **5,000,000**

5
6 **The sums herein appropriated to the Indiana Higher Education Telecommunications System**
7 **(IHETS) are in addition to all income of IHETS from all permanent fees and endowments**
8 **and from all land grants, fees, earnings, and receipts, including gifts, grants,**
9 **bequests, and devises, and receipts from any miscellaneous sales from whatever source**
10 **derived.**

11
12 **All such income and all such fees, earnings, and receipts on hand June 30, 2009,**
13 **and all such income and fees, earnings, and receipts accruing thereafter are hereby**
14 **appropriated to the directors of IHETS and may be expended for any necessary expenses**
15 **of IHETS. However, such income, fees, earnings, and receipts may be used for land**
16 **and structures only if approved by the governor and the budget agency.**

17
18 **The foregoing appropriations to IHETS include the employers' share of Social Security**
19 **payments for IHETS employees under the public employees' retirement fund, or the**
20 **Indiana state teachers' retirement fund. The funds appropriated also include funding**
21 **for the employers' share of payments to the public employees' retirement fund and**
22 **to the Indiana state teachers' retirement fund at a rate to be established by the**
23 **retirement funds for both fiscal years for IHETS employees covered by these retirement**
24 **plans.**

25
26 **The directors of IHETS are hereby authorized to accept federal grants, subject to**
27 **IC 4-12-1.**

28 **SECTION 3. IC 6-1.1-17-5, AS AMENDED BY P.L. 146-2008, SECTION 149, IS AMENDED TO**
29 **READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions**
30 **shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the**
31 **ensuing budget year as follows:**

32 **(1) The board of school trustees of a school corporation that is located in a city having**
33 **population of more than one hundred five thousand (105,000) but less than one hundred twenty**
34 **thousand (120,000), not later than:**

35 **(A) the time required in section 5.6(b) of this chapter; or**

36 **(B) for budget years beginning before July 1, 2010; September 30 if a resolution adopted**
37 **under section 5.6(d) of this chapter is in effect.**

38 **(2) The proper officers of all other political subdivisions, not later than September 30.**

39 **(3) The governing body of each school corporation (including a school corporation described in**
40 **subdivision (1)); not later than the time required under section 5.6(b) of this chapter for budget**
41 **years beginning after June 30, 2010.**

42 **Except in a consolidated city and county and in a second class city, the public hearing required by**
43 **section 3 of this chapter must be completed at least ten (10) days before the proper officers of the**
44 **political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county**
45 **and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be**
46 **held at any time after introduction of the budget.**

47 **(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision**
48 **fixed under subsection (a) by filing an objection petition with the proper officers of the political**



subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4 after September 20 of that year.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 4. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) For budget years beginning before July 1, 2010; This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2010; this section applies to all school corporations. Beginning in 2010; each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting. after September 20 of that year.

(d) This subsection does not apply to budget years after June 30, 2010: The governing body of the



1 school corporation may adopt a resolution to cease using a school year budget year and return to using
2 a calendar year budget year. A resolution adopted under this subsection must be adopted after January
3 1 and before July 1. The school corporation's initial calendar year budget year following the adoption
4 of a resolution under this subsection begins on January 1 of the year following the year the resolution
5 is adopted. The first six (6) months of the initial calendar year budget for the school corporation must
6 be consistent with the last six (6) months of the final school year budget fixed by the department of
7 local government finance before the adoption of a resolution under this subsection. ~~Notwithstanding~~
8 ~~any resolution adopted under this subsection; beginning in 2010, each school corporation shall adopt~~
9 ~~a budget under this section that applies from July 1 of the year through June 30 of the following year.~~

10 (e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted
11 by the governing body. If the governing body of the school corporation rescinds a resolution adopted
12 under subsection (d) and returns to a school year budget year, the school corporation's initial school
13 year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June
14 30 of the following year. The first six (6) months of the initial school year budget for the school
15 corporation must be consistent with the last six (6) months of the last calendar year budget fixed
16 by the department of local government finance before the adoption of a rescinding resolution under this
17 subsection.

18 SECTION 5. IC 20-19-3-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
19 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 9. The department shall provide grants**
20 **to an academy that is established to strengthen the leadership and management skills of**
21 **practicing Indiana school business officials to achieve excellence in school business management**
22 **practices.**

23 SECTION 6. IC 20-20-36.2-4, AS ADDED BY HB 1198-2009, SECTION 120 IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. ~~(a)~~ Notwithstanding any other
25 provision, a school corporation is eligible for a grant under this chapter in a particular year ~~only if~~
26 that year the school corporation's total property tax revenue is expected to be reduced by more ~~than~~
27 **two fifteen hundredths of one percent (2%) (0.15%)** because of the application of credits in that
28 year.

29 (b) Subject to subsection (a), an eligible school corporation is entitled to a grant in
30 (1) 2009 equal to the eligible school corporation's circuit breaker replacement amount for
31 property taxes imposed for the March 1, 2008; and January 15, 2009; assessment dates; and
32 (2) 2010 equal to the eligible school corporation's circuit breaker replacement amount
33 property taxes imposed for the March 1, 2009; and January 15, 2010; assessment dates.

34 SECTION 7. IC 20-20-36.2-5, AS ADDED BY HB 1198-2009, SECTION 120 IS AMENDED TO
35 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) ~~An eligible school corporation's~~
36 ~~circuit breaker replacement amount for 2009 is equal to the result determined under STEP FOUR of~~
37 ~~the following formula:~~

38 STEP ONE: Determine the amount of credits granted against the eligible school corporation's
39 combined levy for the eligible school corporation's debt service fund; capital projects fund;
40 transportation fund; school bus replacement fund; and racial balance fund.

41 STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations
42 in Indiana.

43 STEP THREE: Divide fifty million dollars (\$50,000,000) by the STEP TWO amount, rounding
44 to the nearest ten thousandth (0.0001).

45 STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the
46 nearest dollar (\$1).

47 (b) ~~An eligible school corporation is entitled to a grant under this chapter in calendar year~~
48 **2010. The grant is equal to the eligible school corporation's circuit breaker replacement amount,**



1 **as determined for calendar year 2010.** An eligible school corporation's circuit breaker replacement
2 amount for 2010 is equal to the result determined under STEP ~~FOUR~~ **SIX** of the following formula:

3 STEP ONE: Determine the amount of credits granted against the eligible school corporation's
4 combined levy, ~~for the school corporation's debt service fund, capital projects fund, transportation~~
5 ~~fund, school bus replacement fund, and racial balance fund,~~ **rounded to the nearest dollar (\$1).**

6 STEP TWO: **Determine an amount equal to fifteen hundredths of one percent (0.15%) of**
7 **the school corporation's total combined property tax levy for 2010, rounded to the nearest**
8 **dollar (\$1).**

9 **STEP THREE: Determine the greater of zero (0) or the STEP ONE amount minus the**
10 **STEP TWO amount.**

11 **STEP FOUR:** Determine the sum of the STEP ~~ONE~~ **THREE** amounts for all eligible school
12 corporations in Indiana.

13 ~~STEP THREE: Divide seventy~~ **FIVE: Determine the result of the lesser of:**

14 **(A) one (1); or**

15 **(B) the result of one hundred eighteen million dollars** ~~(\$70,000,000)~~ **(\$118,000,000)**
16 **divided by the STEP ~~TWO~~ **FOUR** amount, rounding to the nearest ten thousandth (0.0001).**

17 ~~STEP FOUR:~~ **SIX:** Multiply the STEP ~~THREE~~ **FIVE** result by the STEP ~~ONE~~ **THREE** amount,
18 rounding to the nearest dollar (\$1).

19 SECTION 8. IC 20-24-8-5, AS AMENDED BY P.L.2-2006, SECTION 111, IS AMENDED TO
20 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. The following statutes and rules ~~and~~
21 guidelines adopted under the following statutes apply to a charter school:

22 (1) IC 5-11-1-9 (required audits by the state board of accounts).

23 **(2) IC 20-30-2 (minimum number of student instructional days and hours per instructional**
24 **day).**

25 ~~(2)~~ **(3) IC 20-39-1-1 (unified accounting system).**

26 ~~(3)~~ **(4) IC 20-35 (special education).**

27 ~~(4)~~ **(5) IC 20-26-5-10 and IC 20-28-5-9 (criminal history).**

28 ~~(5)~~ **(6) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).**

29 ~~(6)~~ **(7) IC 20-28-7-14 (void teacher contract when two (2) contracts are signed).**

30 ~~(7)~~ **(8) IC 20-28-10-12 (nondiscrimination for teacher marital status).**

31 ~~(8)~~ **(9) IC 20-28-10-14 (teacher freedom of association).**

32 ~~(9)~~ **(10) IC 20-28-10-17 (school counselor immunity).**

33 ~~(10)~~ **(11) For conversion charter schools only, IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9,**
34 **and IC 20-28-10.**

35 ~~(11)~~ **(12) IC 20-33-2 (compulsory school attendance).**

36 ~~(12)~~ **(13) IC 20-33-3 (limitations on employment of children).**

37 ~~(13)~~ **(14) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial**
38 **review).**

39 ~~(14)~~ **(15) IC 20-33-8-16 (firearms and deadly weapons).**

40 ~~(15)~~ **(16) IC 20-34-3 (health and safety measures).**

41 ~~(16)~~ **(17) IC 20-33-9 (reporting of student violations of law).**

42 ~~(17)~~ **(18) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).**

43 ~~(18)~~ **(19) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8, or any other statute, rule,**
44 **or guideline related to standardized testing (assessment programs, including remediation under**
45 **the assessment programs).**

46 ~~(19)~~ **(20) IC 20-33-7 (parental access to education records).**

47 ~~(20)~~ **(21) IC 20-31 (accountability for school performance and improvement).**

48 SECTION 9. IC 20-40-8-19, AS AMENDED BY P.L.146-2008, SECTION 528, IS AMENDED



1 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. **(a) This section applies to**
2 **calendar year 2010.**

3 **(b) Money in the fund may be used to pay for up to one hundred percent (100%) of the following**
4 **costs of a school corporation:**

5 (1) Utility services.

6 (2) Property or casualty insurance.

7 (3) Both utility services and property or casualty insurance.

8 A school corporation's expenditures under this section may not exceed ~~in 2008 and in 2009~~ three and
9 five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

10 SECTION 10. IC 20-43-1-1, AS AMENDED BY P.L.234-2007, SECTION 232, IS AMENDED
11 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This article expires January 1, ~~2010~~
12 **2011.**

13 SECTION 11. IC 20-43-1-8, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. "Basic tuition support" means the
15 part of a school corporation's state tuition support for basic programs determined, **for calendar y**
16 **2009, under IC 20-43-6-5 (before its repeal) and, for calendar year 2010, under IC 20-43-6-3.**

17 SECTION 12. IC 20-43-1-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
18 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 18.5. "New facility appeal grant"**
19 **refers to the amount determined under IC 20-43-11.5.**

20 SECTION 13. IC 20-43-1-23, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED
21 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. "School corporation" means the
22 following:

23 (1) Any local public school corporation established under Indiana law.

24 (2) Except as otherwise indicated in this article **and subject to IC 20-43-2-8**, a charter school.

25 SECTION 14. IC 20-43-1-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION
26 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 31. "Unadjusted remaini**
27 **foundation revenue difference" refers to the greater of zero dollars (\$0) or the result of a school**
28 **corporation's previous year revenue minus the amount determined for the school corporation**
29 **under IC 20-43-5-7(1) for the current calendar year.**

30 SECTION 15. IC 20-43-2-2, AS AMENDED BY P.L.146-2008, SECTION 482, IS AMENDED
31 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. The maximum state distributi
32 for a calendar year for all school corporations for the purposes described in section 3 of this chap
33 is:

34 ~~(1) three billion eight hundred twelve million five hundred thousand dollars (\$3,812,500,000) in~~
35 ~~2007;~~

36 ~~(2) three billion nine hundred sixty million nine hundred thousand dollars (\$3,960,900,000) in~~
37 ~~2008; and~~

38 ~~(3) (1) six billion five hundred nine million dollars (\$6,509,000,000) in 2009; and~~

39 ~~(2) six billion five hundred ninety-one million four hundred thousand dollars~~
40 ~~(\$6,591,400,000) in 2010.~~

41 SECTION 16. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
42 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 8. The maximum amount of state**
43 **tuition support that may be distributed in any calendar year to a charter school is the lesser of**
44 **the following:**

45 **(1) The greater of zero dollars (\$0) or the amount to which the charter school was entitled**
46 **to receive under this article (as effective January 1, 2009) for calendar year 2009.**

47 **(2) The amount to which the charter school was entitled to receive under this chapter for**
48 **the calendar year of the distribution.**



SECTION 17. IC 20-43-3-4, AS AMENDED BY P.L.146-2008, SECTION 485, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support for the year that precedes the current year.

(B) ~~the school corporation's maximum permissible tuition support levy for calendar year 2008.~~

~~(C) the school corporation's excise tax revenue for calendar year 2007. The school corporation's new facility appeal grant for the immediately preceding calendar year (if any).~~

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (b), subsection (c), IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.

(b) A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

~~(c) This section applies only to 2009. A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-24-11. The amount of the reduction equals the product of:~~

~~(1) the sum of the amounts distributed to the conversion charter school under IC 20-24-7-3(c) and IC 20-24-7-3(d) (as effective December 31, 2008); multiplied by~~

~~(2) two (2).~~

SECTION 18. IC 20-43-4-7, AS AMENDED BY P.L.234-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) This subsection does not apply to a charter school. When calculating adjusted ADM for ~~2008~~ **2010** distributions, this subsection, as effective after December 31, ~~2007~~, **2009**, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for ~~2007~~ **2009** distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).

(B) The school corporation's ADM for the year preceding the current year by three (3) years multiplied by two-tenths (0.2).

(C) The school corporation's ADM for the year preceding the current year by two (2) years multiplied by two-tenths (0.2).

(D) The school corporation's ADM for the year preceding the current year by one (1) year multiplied by two-tenths (0.2).

(E) The school corporation's ADM for the current year multiplied by two-tenths (0.2).

STEP TWO: ~~Determine the school corporation's ADM for the current year. This STEP applies only if the school corporation's ADM for the year preceding the current year is less than the school corporation's current ADM. Determine the sum of:~~

~~(A) the school corporation's ADM for the year preceding the current year by one (1)~~



1 year; and
2 **(B) eight-tenths (0.8) multiplied by the result of the school corporation's ADM for the**
3 **current year minus the school corporation's ADM for the year preceding the current**
4 **year by one (1) year.**

5 STEP THREE: Determine the greater of the following:

6 (A) The STEP ONE result.

7 (B) The STEP TWO result.

8 (b) A charter school's adjusted ADM for purposes of this article is the charter school's current
9 ADM.

10 SECTION 19. IC 20-43-5-3, AS AMENDED BY P.L.3-2008, SECTION 125, IS AMENDED TO
11 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. A school corporation's complexity
12 index is determined under the following formula:

13 STEP ONE: Determine the greater of zero (0) or the result of the following:

14 (1) Determine the percentage of the school corporation's students who were eligible for free
15 or reduced price lunches in the school year ending in the later of ~~2007~~ **2009** or the first year
16 of operation of the school corporation.

17 (2) Determine the quotient of:

18 ~~(A) in 2008:~~

19 ~~(i) two thousand two hundred fifty dollars (\$2,250); divided by~~

20 ~~(ii) four thousand seven hundred ninety dollars (\$4,790); and~~

21 ~~(B) (A) in 2009:~~

22 (i) two thousand four hundred dollars (\$2,400); divided by

23 (ii) four thousand eight hundred twenty-five dollars (\$4,825); and

24 **(B) in 2010:**

25 **(i) two thousand three hundred forty-eight dollars (\$2,348); divided by**

26 **(ii) four thousand seven hundred twenty dollars (\$4,720).**

27 (3) Determine the product of:

28 (A) the subdivision (1) amount; multiplied by

29 (B) the subdivision (2) amount.

30 STEP TWO: Determine the result of one (1) plus the STEP ONE result.

31 STEP THREE: This STEP applies if the STEP TWO result is equal to or greater than at least one
32 and twenty-five hundredths (1.25). Determine the result of the following:

33 (1) Subtract one and twenty-five hundredths (1.25) from the STEP TWO result.

34 (2) Determine the result of:

35 (A) the STEP TWO result; plus

36 (B) the subdivision (1) result.

37 The data to be used in making the calculations under STEP ONE must be the data collected in the
38 annual pupil enrollment count by the department.

39 SECTION 20. IC 20-43-5-4, AS AMENDED BY P.L.234-2007, SECTION 244, IS AMENDED
40 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. A school corporation's
41 foundation amount for a calendar year is the result determined under STEP TWO of the following
42 formula:

43 STEP ONE: Determine:

44 ~~(A) in 2008; four thousand seven hundred ninety dollars (\$4,790); or~~

45 ~~(B) (A) in 2009, four thousand eight hundred twenty-five dollars (\$4,825); and~~

46 **(B) in 2010, four thousand seven hundred twenty dollars (\$4,720).**

47 STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

48 SECTION 21. IC 20-43-5-6, AS AMENDED BY P.L.234-2007, SECTION 245, IS AMENDED

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TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the difference of:

- (A) the school corporation's foundation amount; minus
- (B) the school corporation's previous year revenue foundation amount.

STEP TWO: Divide the STEP ONE result by:

- ~~(A) four (4) in 2008; or~~
- ~~(B) (A) three (3) in 2009; and~~
- (B) two (2) in 2010.**

STEP THREE: A school corporation's STEP THREE amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the quotient of:

- (i) the school corporation's transition to foundation revenue for the calendar year where the charter school is located; divided by
- (ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (v) of the following formula:

- (i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.
- (ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.
- (iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.
- (iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP THREE amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

- (i) The school corporation's foundation amount for the calendar year, if the STEP ONE amount is at least negative fifty dollars (-\$50) and not more than one hundred dollars (\$100).
- (ii) For 2009, the school corporation's foundation amount for the calendar year, if the foundation amount in 2008 equaled the school corporation's transition to foundation revenue per adjusted ADM in 2008.
- (iii) The sum of the school corporation's previous year revenue foundation amount and the greater of the school corporation's STEP TWO amount or one hundred dollars (\$100), if the school corporation's STEP ONE amount is greater than one hundred dollars (\$100).
- (iv) The difference determined by subtracting fifty dollars (\$50) from the school corporation's previous year revenue foundation amount, if the school corporation's STEP ONE amount is less than negative fifty dollars (-\$50).

SECTION 22. IC 20-43-5-7, AS AMENDED BY P.L.3-2008, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. A school corporation's transition to foundation revenue for a calendar year is equal to the sum of the following:

(1) The product of:

- (A) the school corporation's transition to foundation amount for the calendar year; multiplied



- 1 by
2 (B) the school corporation's:
3 (i) current ADM, if the current ADM for the school corporation is less than one hundred
4 (100); and
5 (ii) current adjusted ADM, if item (i) does not apply.
6 (2) ~~Either:~~ **The following:**
7 (A) The **lesser of the school corporation's unadjusted remaining foundation revenue**
8 **difference or the** result of:
9 (i) ~~one hundred dollars (\$100) for calendar year 2008 and~~ one hundred fifty dollars (\$150)
10 for calendar year 2009 **and calendar year 2010**; multiplied by
11 (ii) the school corporation's adjusted ADM;
12 if the school corporation's current ADM is less than three thousand and six hundred (3,600)
13 and the amount determined under subdivision (1) is less than the school corporation's previous
14 year revenue.
15 (B) The **lesser of the school corporation's unadjusted remaining foundation revenue**
16 **difference or the** result of:
17 (i) ~~one hundred dollars (\$100) for calendar year 2008 and~~ one hundred fifty dollars (\$150)
18 for calendar year 2009 **and calendar year 2010**; multiplied by
19 (ii) the school corporation's adjusted ADM;
20 if clause (A) does not apply and the result of the amount under subdivision (1) is less than the
21 result of the school corporation's previous year revenue multiplied by nine hundred sixty-five
22 thousandths (0.965).
23 (C) The **lesser of the school corporation's unadjusted remaining foundation revenue**
24 **difference or the** school corporation's current adjusted ADM multiplied by the lesser of:
25 (i) one hundred dollars (\$100); or
26 (ii) the school corporation's STEP TWO amount under section 6 of this chapter;
27 if clauses (A) and (B) do not apply, the amount under subdivision (1) is less than the school
28 corporation's previous year revenue, and the school corporation's result under STEP ONE of
29 section 6 of this chapter is greater than zero (0). ~~or~~
30 (D) Zero (0), if clauses (A), (B), and (C) do not apply.
31 (3) This subdivision does not apply to a charter school. Either:
32 (A) **the lesser of:**
33 (i) three hundred dollars (\$300); **or**
34 (ii) **one dollar (\$1) multiplied by the result of one thousand seven hundred (1,700)**
35 **minus the school corporation's current ADM;**
36 multiplied by the school corporation's current ADM, if the school corporation's current ADM
37 is less than one thousand seven hundred (1,700) and the school corporation's complexity index
38 is greater than one and two-tenths (1.2);
39 (B) **the lesser of:**
40 (i) one hundred dollars (\$100); **or**
41 (ii) **one dollar (\$1) multiplied by the result of one thousand seven hundred (1,700)**
42 **minus the school corporation's current ADM;**
43 multiplied by the school corporation's current ADM, if the school corporation's current ADM
44 is less than one thousand seven hundred (1,700) and the school corporation's complexity index
45 is greater than one and one-tenth (1.1) and not greater than one and two-tenths (1.2); or
46 (C) zero (0), if clauses (A) and (B) do not apply.

47 SECTION 23. IC 20-43-6-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO
48 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. Subject to the amount appropriated



by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a year is the amount determined in section 53 of this chapter.

SECTION 24. IC 20-43-6-3, AS AMENDED BY P.L.146-2008, SECTION 488, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. (a) ~~A school corporation's total regular program~~ **The basic tuition support for a school corporation (other than a charter school)** for a calendar year is ~~the greater of the amount of the school corporation's basic tuition support for the immediately preceding calendar year or~~ the amount determined under the applicable provision of this section. **A charter school's basic tuition support for a calendar year is the amount determined under the applicable provision of this section.**

(b) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a calendar year that is not equal to the school corporation's foundation amount for the calendar year. The school corporation's total regular program tuition support for a calendar year is equal to the school corporation's transition to foundation revenue for the calendar year.

(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a calendar year that is equal to the school corporation's foundation amount for the calendar year. The school corporation's total regular program tuition support for a calendar year is the sum of the following:

(1) The school corporation's foundation amount for the calendar year multiplied by the school corporation's adjusted ADM for the current year.

(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

SECTION 25. IC 20-43-7-6, AS AMENDED BY P.L.234-2007, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's special education grant for a calendar year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by:

~~(A) in 2008, eight thousand three hundred dollars (\$8,300); and~~

~~(B) (A) in 2009, eight thousand three hundred fifty dollars (\$8,350); and~~

(B) in 2010, eight thousand three hundred fifty dollars (\$8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:

~~(A) in 2008, two thousand two hundred fifty dollars (\$2,250); and~~

~~(B) (A) in 2009, two thousand two hundred sixty-five dollars (\$2,265); and~~

(B) in 2010, two thousand two hundred sixty-five dollars (\$2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by:

~~(A) in 2008, five hundred thirty-one dollars (\$531); and~~

~~(B) (A) in 2009, five hundred thirty-three dollars (\$533); and~~

(B) in 2010, five hundred thirty-three dollars (\$533).

(4) The cumulative count of pupils in homebound programs multiplied by:

~~(A) in 2008, five hundred thirty-one dollars (\$531); and~~

~~(B) (A) in 2009, five hundred thirty-three dollars (\$533); and~~

(B) in 2010, five hundred thirty-three dollars (\$533).

SECTION 26. IC 20-43-9-4, AS AMENDED BY P.L.234-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. For purposes of computation under this chapter, the following shall be used:

(1) The staff cost amount for a school corporation:

~~(A) in 2008, is seventy-two thousand dollars (\$72,000); and~~



1 ~~(B)~~ (A) in 2009, is seventy-four thousand five hundred dollars (\$74,500); and

2 **(B) in 2010, is seventy-four thousand five hundred dollars (\$74,500).**

3 (2) The guaranteed primetime amount for a school corporation is the primetime allocation, before
4 any penalty is assessed under this chapter, that the school corporation would have received under
5 this chapter for the 1999 calendar year or the first year of participation in the program, whichever
6 is later.

7 (3) The following apply to determine whether amounts received under this chapter have been
8 devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this
9 chapter:

10 (A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an
11 actual classroom teacher in a regular instructional program is counted as a teacher.

12 (B) If a school corporation is granted approval under section 8 of this chapter, the school
13 corporation may include as one-third (1/3) of a teacher each classroom instructional aide who
14 meets qualifications and performs duties prescribed by the state board.

15 SECTION 27. IC 20-43-9-6, AS AMENDED BY P.L.234-2007, SECTION 254, IS AMENDED
16 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's
17 primetime distribution for a calendar year under this chapter is the amount determined by the
18 following formula:

19 STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as
20 follows:

21 (A) If the school corporation's complexity index is less than one and one-tenth (1.1), the
22 school corporation's target pupil/teacher ratio is eighteen to one (18:1).

23 (B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less
24 than one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15)
25 plus the result determined in item (iii) to one (1):

26 (i) Determine the result of one and two-tenths (1.2) minus the school corporation's
27 complexity index.

28 (ii) Determine the item (i) result divided by one-tenth (0.1).

29 (iii) Determine the item (ii) result multiplied by three (3).

30 (C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school
31 corporation's target pupil/teacher ratio is fifteen to one (15:1).

32 STEP TWO: Determine the result of:

33 (A) the ADM of the school corporation in kindergarten through grade 3 for the current school
34 year; divided by

35 (B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.

36 STEP THREE: Determine the result of:

37 (A) the ~~total regular program~~ **basic** tuition support for the year multiplied by seventy-five
38 hundredths (0.75); divided by

39 (B) the school corporation's total ADM.

40 STEP FOUR: Determine the result of:

41 (A) the STEP THREE result; multiplied by

42 (B) the ADM of the school corporation in kindergarten through grade 3 for the current school
43 year.

44 STEP FIVE: Determine the result of:

45 (A) the STEP FOUR result; divided by

46 (B) the staff cost amount.

47 STEP SIX: Determine the greater of zero (0) or the result of:

48 (A) the STEP TWO amount; minus



1 (B) the STEP FIVE amount.
2 STEP SEVEN: Determine the result of:
3 (A) the STEP SIX amount; multiplied by
4 (B) the staff cost amount.
5 STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's
6 guaranteed primetime amount.
7 STEP NINE: A school corporation's amount under this STEP is the following:
8 (A) If the amount the school corporation received under this chapter in the previous calendar
9 year is greater than zero (0), the amount under this STEP is the lesser of:
10 (i) the STEP EIGHT amount; or
11 (ii) the amount the school corporation received under this chapter for the previous calendar
12 year multiplied by one hundred seven and one-half percent (107.5%).
13 (B) If the amount the school corporation received under this chapter in the previous calendar
14 year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.
15 SECTION 28. IC 20-43-11.5-1, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO
16 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A school corporation may appeal to
17 the department of local government finance under IC 6-1.1-19 for a new facility adjustment to increase
18 the school corporation's tuition support distribution for the following year. ~~by the amount described~~
19 ~~in section 2 of this chapter.~~
20 (b) Upon the demonstration by the school corporation to the department of local government
21 finance that an adjustment is necessary to pay increased costs to open:
22 (1) a new school facility; or
23 (2) an existing facility that has not been used for at least three (3) years and that is being reopened
24 to provide additional classroom space;
25 the department of local government finance may grant the appeal. If the department of local
26 government finance grants an appeal, it shall determine the amount of the new facility adjustment to
27 be distributed to the school corporation under this chapter. In determining the amount of a new facility
28 adjustment, the department of local government finance shall consider the extent to which a part of
29 tuition support distributions offsets any increased costs described in subdivision (1) or (2).
30 SECTION 29. IC 20-43-11.5-2, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) If a school corporation's appeal
32 under this chapter is granted, the department shall, subject to amounts appropriated, distribute to
33 school corporation the amount of the new facility adjustment approved by the department. ~~of local~~
34 ~~government finance.~~
35 (b) A new facility adjustment is in addition to the amount of the state tuition support distribution
36 to which the school corporation is **otherwise** entitled under this article.
37 SECTION 30. IC 20-46-5-7, AS AMENDED BY P.L.146-2008, SECTION 505, IS AMENDED
38 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) ~~Except as provided in subsection~~
39 ~~(b);~~ This section applies only to a school corporation located in South Bend.
40 ~~(b) After December 31, 2009, this section applies to all school corporations.~~
41 ~~(c) This subsection expires January 1, 2010. However,~~ this section does not apply to the school
42 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school
43 corporation is in effect.
44 ~~(d) (b)~~ Before the governing body of the school corporation may collect property taxes for the fund
45 in a particular calendar year, the governing body must, after January 1 and on or before February 1 of
46 the immediately preceding year:
47 (1) conduct a public hearing on; and
48 (2) pass a resolution to adopt;



1 a plan.

2 SECTION 31. IC 20-46-6-9, AS AMENDED BY P.L.146-2008, SECTION 508, IS AMENDED
3 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) ~~Except as provided in subsection~~
4 ~~(b)~~; This section applies only to a school corporation that is located in South Bend.

5 ~~(b) After December 31, 2009, this section applies to all school corporations.~~

6 ~~(c) This subsection expires January 1, 2010.~~ **However**, this section does not apply to the school
7 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school
8 corporation is in effect.

9 ~~(d)~~ **(b)** Before the governing body of the school corporation may collect property taxes for a fund
10 in a particular year, the governing body must:

11 (1) after January 1; and

12 (2) before February 2;

13 of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass
14 resolution to adopt the proposed or amended plan.

15 SECTION 32. [EFFECTIVE JULY 1, 2009] P.L.146-2008, SECTION 857 IS REPEALED.

16 SECTION 33. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]:

17 IC 20-43-1-27; IC 20-43-6-5; IC 20-45-1-2; IC 20-45-1-6; IC 20-45-1-12; IC 20-45-1-21.3;

18 IC 20-45-1-21.5; IC 20-45-1-21.7.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1723, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation..

Delete everything after the enacting clause and insert:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1723 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 14, nays 9.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1723 be amended to read as follows:

Page 4, line 34, delete "6,423,200,000" and insert "**6,420,700,000**".

Page 9, line 47, delete "(IC 20-20-36)" and insert "**(IC 20-20-36.2)**".

Page 12, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 6. IC 20-20-36.2-4, AS ADDED BY HB 1198-2009, SECTION 120 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. ~~(a)~~ Notwithstanding any other provision, a school corporation is eligible for a grant under this chapter in a particular year ~~only~~ if for that year the school corporation's total property tax revenue is expected to be reduced by more than ~~two~~ **fifteen hundredths of one percent (2%) (0.15%)** because of the application of credits in that year.

~~(b)~~ Subject to subsection ~~(a)~~, ~~an eligible school corporation is entitled to a grant in~~

- ~~(1) 2009 equal to the eligible school corporation's circuit breaker replacement amount for property taxes imposed for the March 1, 2008; and January 15, 2009; assessment dates; and~~
- ~~(2) 2010 equal to the eligible school corporation's circuit breaker replacement amount for property taxes imposed for the March 1, 2009; and January 15, 2010; assessment dates.~~

SECTION 7. IC 20-20-36.2-5, AS ADDED BY HB 1198-2009, SECTION 120 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) An eligible school corporation's circuit breaker replacement amount for 2009 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the eligible school corporation's debt service fund; capital projects fund; transportation fund; school bus replacement fund; and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide fifty million dollars (\$50,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar (\$1).

(b) An eligible school corporation is entitled to a grant under this chapter in calendar year 2010. The grant is equal to the eligible school corporation's circuit breaker replacement amount, as determined for calendar year 2010. An eligible school corporation's circuit breaker replacement amount for 2010 is equal to the result determined under STEP FOUR SIX of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy, for the school corporation's debt service fund; capital projects fund; transportation fund; school bus replacement fund; and racial balance fund; rounded to the nearest dollar (\$1).

STEP TWO: Determine an amount equal to fifteen hundredths of one percent (0.15%) of the school corporation's total combined property tax levy for 2010, rounded to the nearest dollar (\$1).

STEP THREE: Determine the greater of zero (0) or the STEP ONE amount minus the STEP TWO amount.

STEP FOUR: Determine the sum of the STEP ONE THREE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide ~~seventy~~ FIVE: Determine the result of the lesser of:

(A) one (1); or

(B) the result of one hundred eighteen million dollars (\$70,000,000) (\$118,000,000) divided by the STEP TWO FOUR amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: SIX: Multiply the STEP THREE FIVE result by the STEP ONE THREE amount, rounding to the nearest dollar (\$1).".

Page 13, line 19, delete "under IC 20-43-6-5." and insert ", for calendar year 2009, under IC 20-43-6-5 (before its repeal) and, for

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calendar year 2010, under".

Page 13, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 14. IC 20-43-1-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 18.5. "New facility appeal grant" refers to the amount determined under IC 20-43-11.5."**

Page 13, line 40, delete "eighty-seven million seven" and insert "**ninety-one million four**".

Page 13, line 41, delete "\$6,587,700,000)" and insert "**(\$6,591,400,000)**".

Page 14, line 5, reset in roman "sum of the following:".

Page 14, line 6, reset in roman "(A) The".

Page 14, line 7, reset in roman "(B)".

Page 14, line 8, after "2007." insert "**The school corporation's new facility appeal grant for the immediately preceding calendar year (if any).**".

Page 15, line 24, delete "two hundred ninety-two dollars (\$2,292);" and insert "**three hundred forty-eight dollars (\$2,348);**".

Page 15, line 25, delete "six hundred eight dollars (\$4,608)." and insert "**seven hundred twenty dollars (\$4,720).**".

Page 15, line 45, delete "six hundred eight dollars (\$4,608)." and insert "**seven hundred twenty dollars (\$4,720).**".

Page 18, line 4, strike "A school corporation's".

Page 18, line 5, after "program" insert "**The**".

page 18, line 5, after "support" insert "**for a school corporation (other than a charter school)**".

Page 18, line 5, after "is" insert "**the greater of the amount of the school corporation's basic tuition support for the immediately preceding calendar year or**".

Page 18, line 6, after "section." insert "**A charter school's basic tuition support for a calendar year is the amount determined under the applicable provision of this section.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1723 as printed February 3, 2009.)

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